

AMENDED IN SENATE MARCH 30, 2011

SENATE BILL

No. 907

Introduced by Senator Evans

(Principal coauthor: Assembly Member V. Manuel Pérez)

February 18, 2011

An act to add Title 18.2 (commencing with Section 99090) to the Government Code, relating to infrastructure financing and development.

LEGISLATIVE COUNSEL'S DIGEST

SB 907, as amended, Evans. Master Plan for Infrastructure Financing and Development Commission.

The California Constitution regulates the issuance of debt by the state and requires that debt in excess of \$300,000 for which the state will be generally obligated be submitted to, and approved by, the voters.

This bill would create the Master Plan for Infrastructure Financing and Development Commission, the mission of which would be to develop and recommend a plan to be presented to the Governor and Legislature that provides for financing, building, and maintaining the infrastructure necessary to meet the needs of Californians from the present year to the year 2050, and to establish a process for periodically adjusting and adapting the plan in coming years to meet changing circumstances. The bill would require that the commission consist of 11 members: the Treasurer or his or her designee, and members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules. The bill would authorize the Governor to appoint the chair of the commission from among the commission members who would work full time on commission business for an unspecified salary. The bill would require the chair, with the concurrence of the commission, to appoint an executive director, who would be exempt

from civil service and be paid an unspecified salary. The bill would require that funding for the operating costs of the commission be available upon appropriation by the Legislature. The bill would require the chair of the commission to appoint the members of specified task force committees, to be composed of both members and nonmembers of the commission, and would require commission members to chair at least one task force committee in which they have expertise. The bill would provide that the subject matter responsibilities of these task force committees include, but not be limited to, planning and financing, transportation, housing, natural resources and conservation, and education. The commission would be required to establish a timeline for submission of periodic reports on its findings to the Governor and Legislature, provide an opportunity for public comment and participation, and to incorporate existing state and local infrastructure reports, as specified, that reflect current or future infrastructure needs into its recommendations. The bill would require the commission to submit its final report to the Governor and Legislature no later than December 1, ~~2012~~, 2013, and to be dissolved 30 days after issuance of the final report.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Title 18.2 (commencing with Section 99090) is
2 added to the Government Code, to read:

3
4 TITLE 18.2. MASTER PLAN FOR INFRASTRUCTURE
5 FINANCING AND DEVELOPMENT COMMISSION

6
7 CHAPTER 1. GENERAL PROVISIONS

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9 99090. The Legislature finds and declares all of the following:

10 (a) By 2050, an estimated 60 million people will call California
11 home, twice as many people who lived here in 2003, while our
12 current infrastructure of schools, universities, roads, housing, and
13 water delivery was built to serve 25 million residents.

14 (b) The Governor's Strategic Growth Plan estimates that the
15 state has approximately ~~\$500 billion~~ *five hundred billion dollars*
16 *(\$500,000,000,000)* in infrastructure needs over the next 20 years.

1 While the state needs ~~\$500 billion~~ *five hundred billion dollars*
2 *(\$500,000,000,000)* of infrastructure investment, experts conclude
3 that public funds, including state and local dollars, can only finance
4 up to ~~of \$300 billion in projects, leaving approximately \$200 billion~~
5 ~~in unfunded~~ *three hundred billion dollars (\$300,000,000,000) in*
6 *projects, leaving approximately two hundred billion dollars*
7 *(\$200,000,000,000) in unfunded* infrastructure needs.

8 (c) California must examine ways to close the infrastructure
9 financing gap through all types of innovative financing available.

10 (d) Our state lacks information that is both independent and
11 comprehensive to assist policymakers analyze and prioritize the
12 myriad of California's infrastructure needs. For this reason, it is
13 necessary to create a master plan to assess infrastructure needs,
14 establish priorities to guide future decisions that relate to
15 infrastructure projects, and assess the viability of various financing
16 mechanisms to meet the state's infrastructure development needs.

17 (e) It is the mission of the Master Plan for Infrastructure
18 Financing and Development Commission to develop and
19 recommend a plan to be presented to the Governor and Legislature
20 that provides for financing, building, and maintaining the
21 infrastructure necessary to meet the needs of Californians from
22 the present year to the year 2050, and to establish a process for
23 periodically adjusting and adapting the plan in coming years to
24 meet changing circumstances.

25 99091. It is the intent of the Legislature that the Master Plan
26 for Infrastructure Financing and Development Commission provide
27 long-term guidelines for our state's infrastructure needs and a
28 prioritized plan that meets those needs by doing all of the
29 following:

30 (a) Project population, social, and economic trends through
31 2050.

32 (b) Utilizing the projections established pursuant to subdivision
33 (a), assess the state's capital needs for transportation, education,
34 housing, and water through 2050, including the need for private
35 capital to augment or complement public financing.

36 (c) Assess the availability of private and public funds to support
37 jointly sponsored projects throughout the period from the present
38 year to 2050.

1 (d) Assess the status and fiscal value of dedicating future
2 revenues to specific infrastructure construction and maintenance,
3 including transportation and schools.

4 (e) Recommend a financing plan for the capital needs through
5 2050, with a priority plan for each five-year interval, including
6 evaluation and recommendations of various financing methods
7 that are feasible and may be of benefit to state and local
8 government.

9 (f) Incorporate the findings of ongoing state infrastructure
10 planning and reporting requirements.

11 99092. The Master Plan for Infrastructure Financing and
12 Development Commission is hereby created in state government.
13 For purposes of this title, “commission” means the Master Plan
14 for Infrastructure Financing and Development Commission.

15
16 CHAPTER 2. COMMISSION STRUCTURE AND STAFF

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18 Article 1. Commission Structure

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20 99095. The commission shall consist of 11 members, to be
21 selected as follows:

22 (a) The Treasurer or his or her designee who has a public finance
23 background.

24 (b) Four members appointed by the Governor who have the
25 following qualifications:

26 (1) One private sector representative from organized labor.

27 (2) One private sector representative from a statewide
28 organization representing California businesses.

29 (3) One member representing the public.

30 (4) One member of the administration who is a director of a
31 state agency or department.

32 (c) Three members appointed by the Speaker of the Assembly
33 who have the following qualifications:

34 (1) One member with expertise in transportation.

35 (2) One member with expertise in natural resources and
36 conservation.

37 (3) One member with expertise and experience in the financing
38 of large public works projects.

39 (d) Three members appointed by the Senate Committee on Rules
40 who have the following qualifications:

1 (1) One member with expertise in education infrastructure
2 planning.

3 (2) One member with experience in housing, urban planning,
4 or financing.

5 (3) One member who is an economist with demonstrated
6 accomplishment in understanding and interpreting the California
7 economy.

8 99096. (a) The Governor shall appoint the chair of the
9 commission among those members appointed pursuant to Section
10 99095. The chair of the commission shall devote his or her full-time
11 attention to the responsibilities of the position during the term of
12 the commission's existence. Salary for the chair shall be ____.

13 (b) The Treasurer or his or her designee shall be the vice chair
14 of the commission.

15 99097. (a) The commission may adopt bylaws for the
16 regulation of its affairs and the conduct of its business.

17 (b) The commission shall meet on the call of the chairperson
18 or at the request of a majority of the members. A majority of all
19 members of the commission constitutes a quorum for the
20 transaction of business. All members shall have a vote.

21 (c) The commission is subject to the provisions of the
22 Bagley-Keene Open Meeting Act (Article 9 (commencing with
23 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) and
24 the Political Reform Act of 1974 (Title 9 (commencing with
25 Section 81000)).

26 (d) The commission may delegate to staff the authority to enter
27 into contracts for services on its behalf, including interagency
28 agreements, subject to relevant state law.

29 99098. Funding for the operating costs of the commission shall
30 be available upon appropriation by the Legislature.

31 99099. Except as otherwise provided in this title, members of
32 the commission shall not receive a salary, and shall be entitled to
33 a per diem allowance of fifty dollars (\$50) for each day's
34 attendance at a meeting of the commission, not to exceed three
35 hundred dollars (\$300) in any month, and reimbursement for
36 expenses incurred in the performance of their duties under this
37 chapter, including travel and other necessary expenses.

Article 2. Commission Staff

99100. The chair of the commission, with the concurrence of the commission, shall appoint an executive director, who shall be exempt from civil service. Salary for the executive director shall be ____.

99101. Commission staff may be loaned from relevant agencies, and the executive director shall examine ways to provide for loan of staff from local government and private nonprofit organizations who have relevant expertise through partnerships, subject to approval and direction by the commission and the chair.

Article 3. Commission Duties

99110. (a) The chair of the commission shall appoint the members on the task force committees described in Article 4 (commencing with Section 99120), which shall be composed of both members and nonmembers of the commission. Commission members shall chair at least one task force committee in which they have expertise.

(b) (1) The commission shall submit its final report to the Governor and Legislature no later than December 1, ~~2012~~ 2013, and shall dissolve 30 days after issuance of the final report. To the extent necessary, the commission shall recommend a method to track the state's infrastructure progress and to reassess the master plan periodically.

~~(d)~~

(2) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795.

(c) When developing its recommendations, the commission shall utilize existing state and local infrastructure reports that reflect current or future infrastructure needs, including, but not limited to the following:

(1) The Governor's five-year infrastructure plan, as described in Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Division 3 of Title 2.

(2) The State Environmental Goals and Policy Report, as described in Article 5 (commencing with Section 65041) of Chapter 1.5 of Division 1 of Title 7.

(3) The California Transportation Plan, as described in Chapter 2.3 (commencing with Section 65070) of Division 1 of Title 7.

(4) Sustainable communities strategies, as described in Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7.

(5) Greenhouse gas emissions reduction planning, as described in Part 4 (commencing with Section 38560) of Division 25.5 of the Health and Safety Code.

(6) The California Water Plan, as described in Chapter 1 (commencing with Section 10004) of Part 1.5 of Division 6 of the Water Code.

(d) The commission shall have authority to call on experts to assist them or the task force committees in developing the master plan.

(e) All commission products shall incorporate opportunity for public comment and participation.

(f) The commission shall establish a timeline for submission of periodic reports on their findings to the Governor and Legislature prior to issuance of the final report.

Article 4. Commission Task Force Committees

99120. (a) The commission shall establish working task force committees that will assess, inventory, and report on the state's long-term needs and financing alternatives. The task force committees ~~will~~ *shall* include, but not limited to, the following:

(1) Planning and financing.

(2) Transportation.

(3) Housing.

(4) Natural resources and conservation.

(5) Education.

(b) Each committee shall include the following:

(1) A chair of the task force committee, who shall be a commission member with expertise in the committee's particular study area.

(2) Appropriate experts on the committee's particular study area, who also have background experience in the following:

(A) Public finance.

(B) Working knowledge of local government.

(C) Working knowledge of state government.

(3) Representatives from the following communities:

- 1 (A) Labor.
2 (B) Business.
3 (C) Environmental.
4 (D) Building industry.
5 (E) Consumer organization.
6 (F) Taxpayer organization.
7 (4) Additional-~~expert~~ *experts*, or experienced people who are
8 knowledgeable about the committee's particular study area, as
9 deemed necessary by the chair, in consultation with the
10 commission.
11 99121. (a) The chair of each task force committee, with the
12 concurrence of the commission, shall develop a work plan, assign
13 responsibilities and deadlines for performance, and shall convene
14 meetings of the task force committees. Task force committees shall
15 meet at least once each month.
16 (b) Task force committee members shall establish a method for
17 reaching consensus on their findings and recommendations to the
18 commission. The chair of each task force committee shall be
19 responsible of presenting the committee's final recommendations
20 to the commission.
21 (c) At the direction of the chair of the commission, the task
22 force committees shall provide analyses and commentary to the
23 commission in a timely matter for all commission products.